(c) whether Government propose to set up agro-based industry in the State in the near future;

(d) if so, the details thereof; and

(e) the funds earmarked for this purpose during 1994-95?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M. V. CHANDRASHEKHAR MURTHY): (a) to (e) National Bank for Agriculture and Rural Development (NABARD) has reported that no agro-based industry has been set up by it in Gujarat. NABARD provides refinance among others for financing small, tiny, cottage and village industries in rural areas. Refinance schemes of NABARD for non-farm sectors cover wide spectrum of manufacturing and service activities including agro-based and agro-industrial activities. It has allocated a refinance assistance of Rs. 169.25 crores under the schematic lending for various purposes including Rs. 33.40 crores for development of non-farm sectors during 1994-95 NABARD has reported that it has sanctioned a scheme for one agro-based unit in Gujarat involving bank loan and NABARD refinance of Rs. 253 lakhs and Rs. 266 lakhs respectively.

Loans to Farmers

2066. SHRI BHUPINDER SINGH MANN: Will the Minister of FINANCE be pleased to state:

(a) what is the total loan given to farmers in the country, category-wise, details thereof;

(b) what is the estimated loss suffered by farmers of country as a result of negative protection to them on account of restrictions on processing and marketing their produce in internal and external market;

(c) whether the farmers are crushed under the burden of loan as a result of this negative protection; and

(d) if so, whether the negative protection will be removed?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M. V CHANDRASHEKHAR MURTHY): (a) The Reserve Bank of India (RBI) has reported that the total direct finance outstanding towards agriculture and allied activities as on the last Friday of June 1993 (latest available) of all Scheduled Commercial Banks in the country was Rs. 18,287.74 crores. The break-up of the total is as follows:

(Rs. in crores)

Short-Term Loan . . .	4,988.21
Term Loan	9,221.38
Allied activities . . .	4,078.15
TOTAL :	18,287.74

The purpose-wise break up of total term loans outstanding as on the last Friday of June, 1993 by all Scheduled Commercial Banks to farmers was as follows:

	Amount Outstanding (Rs. in crores)
(i) Minor Irrigation Schemes .	2,137.87
(ii) Reclamation and Land Development Schemes	267.20
(iii) Tractors and Agricultural implements & machinery	4,328.96
(iv) Plantations	622.12
(v) Other Term loans	1,865.23
TOTAL :	9,221.38

(b) to (d) No information is available on the quantum of loss suffered by farmers as a result of negative protection to them on account of restriction on processing and marketing of their produce in internal and external markets.

Imposition of tax on Agricultural Income

2067. DR. BIPLAB DASGUPTA: Will the Minister of FINANCE be pleased to state whether Government are contemplating the introduction of legislation (the legislation on panchayats) that would make it compulsory for the States to pass legislations for imposing tax on agricultural income and would also ensure that such laws would not be struck down by the judiciary?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M. V CHANDRASHEKHAR MURTHY): No, Sir.

Borrowing by ENRON

2068. SHRI MD. SALIM:

SHRI B. K. HARIPRASAD:

Will the Minister of FINANCE be pleased to state:

(a) whether it a fact that ENRON bidding for the Dabhol Power Project has been permitted by Government of India to raise dollar denominated loans from overseas markets at an exhorbitant rate of 13 per cent interest;

(b) whether the United States of America has a system of providing suppliers' credit at close to LIBOR (7 per cent of interest) through its Exim Bank, and if so, why India did not press for such an arrangement; and

(c) what is the quantum of undue benefits ENRON would get out of this borrowing at higher rates of interest, apart from a net 16 per cent return assured in investments through a counter sovereign guarantee by Government of India?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M. V CHANDRASHEKHAR MURTHY) : (a) No, Sir. The total external finance proposed to be raised by the Dabhol Power Company is USD 550 million for which in floating rate terms, the weighted average foreign currency spread over US Treasuries is 2.4% per annum currently 10 year US Treasuries have a coupon rate of less than 8% per annum at par).

(b) There are two methods of establishing the level of minimum interest rates on export credits which are officially supported the general matrix rate that will be available upto January 14, 1995 to the Organisation for Economic Cooperation and Development Consensus Category III countries, which includes India, and the Commercial Interest Reference Rates that are market ralated and are announced each month. The finance plan of the Dabhol Power Company envisages a loan of USD 302 million from the Export Imoprt Bank of the United States wherein the interest would be applicable at the old OECD Consensus rate of 5.95% p. a., even though currently the Consensus rate is 7.35% p. a. on officially supported credits.

(c) Not applicable in view of the answer to part (a) above.

Capital Adequacy Norms

2069. SHRI GAYA SINGH :
SHRI N. GIRI PRASAD :
Will the Minister of FINANCE be pleased to state :

(a) whether all the Public Sector banks including SBI and Associated banks have complied with the capital adequacy norms stipulated by Government/RBI;

(b) if so, the names of the banks and their respective capital ratios; and

(c) if not, the banks who have defaulted and the extent of shortfall of capital ratios?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M. V CHANDRASHEKHAR MURTHY) : (a) and (b) Reserve Bank of India (RBI) has intimated that Indian banks which do not have their branches abroad were required to achieve 4% capital to Risk Asset Ratio (CRAR) by 31st March, 1993 and 8% by 31st March, 1996. However those banks which have their branches abroad are required to achieve the 8% norm by 31st March, 1995. Among all the Public Sector Banks barring Punjab National Bank which has yet to finalise its balance sheet, names of banks which have achieved at least 4% CRAR, as at 31st March, 1994, are given below :—

	NAME OF THE BANK	CRAR
1.	State Bank of India	12.9%
2.	State Bank of B & J	4.6%
3.	State Bank of Hyderabad	6.2%
4.	State Bank of Indore	4.8%
5.	State Bank of Mysore	4.6%
6.	State Bank of Patiala	11.2%
7.	State Bank of Travancore	4.3%
8.	State Bank of Saurashtra	4.92%
9.	Bank of Baroda	9.1%
10.	Canara Bank	12.1%
11.	Corporation Bank	9.4%
12.	Dena Bank	6.7%
13.	Oriental Bank of Commerce	10.2%
14.	Union Bank of India	9.7%
15.	Vijaya Bank	5.7%

(c) Information is being collected and will be laid on the Table of the House.

Minimum Capital Adequacy Ratio

2070. SHRI GURUDAS DASGUPTA :
SHRI N. GIRI PRASAD :
Will the Minister of FINANCE be pleased to state :

(a) whether public sector banks have been advised by the Government to resort to public issues only if it is necessary to do so, to reach minimum capital adequacy ratio;

(b) if not, for what other purposes can banks resort to public issues; and

(c) the names of banks which have come out or likely to come out with public issues during 1993-94, 1994-95 and 1995-96 and the level of their capital ratio present and projected after the issues?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M. V. CHANDRASHEKHAR MURTHY) : (a) No, Sir.

(b) In addition to achieving the capital adequacy ratio, the public sector banks have to raise their level of capital for the following reasons also :

1. With the growth in deposits, funded risk assets and off-balance sheet items would increase commensurately and this would necessitate enhancement in net-worth to comply with capital adequacy norm.

2. As per the present RBI gnidelines on lending under consortium arrangement the share of a bank as a member of the consortium should be a minimum of 5 per cent of the fund based credit limits so as to ensure meaningful participation.